

It gives some relief to those who want to save. It gives some relief to folks who want to invest. It gives some relief to folks who want to marry. And it gives some relief to folks who maybe after paying taxes all of their lives, when they die, don't want to have the family farm or their business sold just to pay the tax man again.

It gives some relief to all of those folks. It will not hurt the economy, as previous speakers have pointed out. As Chairman Greenspan has pointed out, it is phased in. It is only about \$38 billion for tax relief for the first 2 years.

The President has more spending in his proposal—over \$50 billion during the same period of time. If you worried about the stimulus effect of the economy, talk to the President. Don't talk to us about this bill. It reduces the Federal debt more than the President's proposal does.

But in response to this kind of tax burden, and in response to this reasonable—as Senator KERREY said “no brainer,” really not even a close call—response to a situation like that where we have this unprecedented situation, we have seen an unprecedented amount of inside-the-beltway hyperventilation.

The President, the Vice President, and members of the White House have taken to the airwaves wringing their hands, and a different part of the sky has fallen every day. We are going to pollute the streams, our kids are not going to be educated, our military is going to go in disrepair, and the Republicans are not looking out for the military anymore. And, that old reliable standby, “We are going to harm Social Security and Medicare if we have tax cuts.” It is called “dangerous”—a “dangerous tax cut.”

I think that assumes a level of ignorance among the American people that does not exist. I don't have time to talk about all of the accusations and charges and points that have been made to do anything but have tax relief this year. I will discuss one or two in the limited amount of time we have. Perhaps we can address the others later.

With regard to Social Security and Medicare, of course we all know it is a problem. Senator KERREY pointed out the nature of the problem a minute ago again. It is not as if we don't understand the problem. It is not as if we will not have to face up to it. The question is when.

We have a demographic time bomb on our hands that will affect Social Security and Medicare. We are an aging society. Some people say that is not a bad problem, that we are living longer. That is right. However, we have to make some changes precisely because of that if we are not going to ruin our kids and grandkids.

In the year 2030, we will have twice as many people over the age of 65 as we have today. Currently, we have almost four workers for every retiree; in 2030 we will have two workers for every retiree. After the baby boomer genera-

tion we will have a smaller population, and a smaller and smaller workforce, with a doubling of the people drawing out these funds. It will not work.

We have made some progress, at least in advancing the debate on these issues on a bipartisan basis. It is the first time I have seen issues of this magnitude and of this importance seriously addressed on a bipartisan basis. It is very encouraging.

We had a Medicare commission with Democrats and Republicans, chaired by Senator BREAUX, that addressed this Medicare problem in a serious fashion. The President's response to that was to scuttle the majority will of that Medicare commission trying to make fundamental reforms because they told us something we already knew; that is, we can't just keep pouring money into a broken, worn out, outdated system.

I think as Senator BREAUX once said: You put gasoline into an old, beat up, worn out car and it is still going to be an old, broken down, beat up old car. Instead of pouring more money on top of the system, we need fundamental reform. We tried to do that. The President's response was to scuttle it.

On Social Security, we had bipartisan bills in the Senate, with Democrats and Republicans working together for serious Social Security reform biting the bullet. It is not the easiest thing politically to do but somebody has to do it. The Democrats and Republicans together are doing it.

The President was looked upon to have a little leadership. Perhaps in these last couple of years he will want to exert some leadership when he is not having to run for reelection. His response was not to show leadership, but to back away from serious reform, saying he will put \$100 million worth of IOUs into the Social Security trust fund which does nothing to save Social Security, and represents nothing more than a tremendous tax burden down the line when those treasuries are redeemed by our kids and grandkids.

While they are saying you can't have a tax cut, you can't have a tax cut, we have to save all this money for Social Security and Medicare, at the same time they are doing everything in the world over at the White House to prevent any real reform for Social Security and Medicare.

What about the question should we be saving all of the surplus for Social Security and Medicare and others? The short answer is we are taking 75 percent of these surplus dollars and devoting it to those very areas by means of a lockbox, by means of setting aside Social Security, Medicare, other spending priorities. Mr. President, 75 percent goes to those things.

I think the more important point we will hear time and time again is the President and Vice President on the airwaves hoping people will believe we are doing something bad to Social Security and Medicare if we pass a tax cut. The primary point is that these surpluses we are talking about are

pretty much irrelevant to Social Security and Medicare. As the Comptroller General pointed out, if we put every penny in savings, if we put every penny of surplus into Social Security and Medicare, it would do nothing to change or rectify the fundamental inherent problems we face with those two programs.

I think we can cite the Comptroller, as well as GAO, in saying the President's proposal actually makes the Social Security and Medicare situation worse by pouring additional water into a leaky bucket with the hole in the bottom getting bigger and bigger and bigger, and all the time having to pour more and more water on top. What we are doing is buying a little time from the day of reckoning and convincing people in the short run all they have to do is concentrate on the short run. Don't think about down the road. Don't think about your kids or grandkids. We will not address serious reform but we will start dipping into general revenues instead of having some control with dedicated tax dollars, FICA tax money, dedicated to these particular programs. Then we can keep up with it and see how we are doing, know when we are in trouble. Forget that. We dip into general revenues. We have an extra amount and we will dip into general revenues without any control, without any way to tell how we are doing.

That is totally, totally irresponsible. Yet after doing everything they can to undermine the Social Security and Medicare long-term problem solution the Democrats and Republicans have been trying to work on, after doing everything they can to work against that, they, in turn, use that as a shield to say: Because we are not willing to address that, you have to go along with us and spend an extra \$1 trillion to temporarily buy a few more years. Then they hope somebody will come down the road later on with more political courage to address the problem.

I think that is outrageous. Tax cuts have nothing to do with that problem. We set aside 75 percent of the surplus for those matters to start with, but tax cuts have nothing to do with the fundamental problem we are facing.

The only reason I can see for this kind of overreaction to a tax cut with these unprecedented surpluses is that the administration feels like a person who has been wronged, an injustice has been done to them, on the premise that it is the Government's money to start with and somebody has improperly tried to take that money away from them.

For some folks, there will never be a good time for a tax cut. Over the last few years, the President recommended three tax increases in times of deficits. Now we have a time of surpluses and his response is more tax increases. I think it is a debate not just over tax dollars; it is a debate over power. The folks in Washington don't want to give up power. It is a question of who is going to make decisions with regard to